

April – June 2008

## U.S. Small Business Administration Office of Veterans Business Development

409 Third Street, SW  
 Washington, DC 20416  
 202-205-6773  
 202-205-7292  
[www.sba.gov.vets](http://www.sba.gov.vets)  
[janet.moorman@sba.gov](mailto:janet.moorman@sba.gov)

April - June 2008  
 Volume #1 Issue 3

### In this issue:

Veterans Business Development	1
ESGR Small Business Award	2-3
Joint Ventures	3
USDA Vendor Outreach	5
FAA Small Bus. Dev. Program	5
CA VBOC Success Story	6

### For More Information

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:  
**1-800 U ASK SBA**
- Fax: **202-205-7064**
- E-mail: [answerdesk@sba.gov](mailto:answerdesk@sba.gov)
- **TDD: 704-344-6640**
- Your rights to regulatory fairness:  
**1-800-REG-FAIR**
- SBA Home Page: [www.sba.gov](http://www.sba.gov)

*All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.*

## The Office of Veterans Business Development

With passage by Congress of the Veterans Entrepreneurship and Small Business Development Act of 1999, *Public Law 106-50*, the Office of Veterans Business Development (OVBD) was established within the U.S. Small Business Administration, under the direction of Associate Administrator, William D. Elmore.

The mission of SBA's Office of Veterans Business Development as mandated and outlined in this and other Public Laws is to provide, to the veteran and service-disabled veteran small business communities and self-employed members of the Reserve and National Guard:

- comprehensive outreach, the formulation, execution and promotion of policies and programs of the Administration that provide business management and other assistance to small business concerns owned and controlled by veterans and by service-disabled veterans; and to act as Ombudsman for full consideration of veterans in all administration programs.

Since the establishment of the Office of Veterans Business Development, the Small Business Administration has taken impressive strides in expanding

assistance to veteran and service-disabled veteran small business owners and entrepreneurs. Specifically, the Office of Veterans Business Development has established an outreach database of veteran and service-disabled veteran-owned small business concerns and websites exclusively for veterans, service-disabled veterans, and Reserve and National Guard member small business owners and entrepreneurs.

The Office of Veterans Business Development provides funding and collaborative assistance for a number of special initiatives targeting local veterans, service-disabled veterans and Reserve and National Guard members, including the Veteran Business Outreach Centers (VBOCs), and the business assistance tools, *Getting Veterans Back to Business* and *Balancing Business with Deployment*, for self-employed members of the Reserve and National Guard to prepare and assist in restarting or reestablishing their business upon return from active duty. The manual includes an interactive CD ROM with a wealth of information on reestablishing a small business and information on various business assistance resources available to assist Reservist and National Guard member entrepreneurs. The CD also contains downloadable and printable information on loans, procurement, and information describing the full range of SBA's assistance to any veteran. In addition SBA has established an online Business MatchMaking segment that








may prove useful to both veterans and service-disabled veterans, as well as to self-employed members of the Reserve and National Guard interested in bidding on federal government contract opportunities.

SBA has established Veterans Business Development Officers (VBD Officers) in each SBA District Office. The Veterans Business Development Officers are the local points of contact within district offices to assist veteran small business owners and entrepreneurs with starting, managing and growing successful small business concerns.

The Veterans Business Outreach Centers (VBOCs) are full-range business assistance centers that offer counseling, training and business assistance tools designed to aid veteran and service-disabled veteran entrepreneurs and self-employed members of the Reserve and National Guard start, manage and grow successful small businesses or restart or reestablish their small businesses upon return from active duty.

The VBOC networks with SBA district offices, SBDCs, SCORE counselors and others across this region to provide veterans with the assistance they seek. By registering with the VBOC, a veteran can be informed of business assistance programs and services available through these centers.

Some of the services provided by the VBO Centers include:







-  Pre-Business Plan Workshops
-  Concept Assessment
-  Business Plan Preparations
-  Comprehensive Feasibility Analysis
-  Entrepreneurial Training
-  Mentorship
-  Procurement Opportunities

Center locations and areas of coverage include:

-  **The University of West Florida in Pensacola**  
<http://www.vboc.org>
-  **Research Foundation of the State University of New York**  
[www.nyssbdc.org/services/veterans/veterans.html](http://www.nyssbdc.org/services/veterans/veterans.html)
-  **The University of Texas-Pan American**  
[www.coserve.org/vboc](http://www.coserve.org/vboc)
-  **California Veterans Business Outreach Center**  
[www.vboc-ca.org](http://www.vboc-ca.org)

 **Robert Morris University VBOC**  
[vboc@rmu.edu/vboc](mailto:vboc@rmu.edu/vboc).

Other programs and services available to veterans through OVBD are:

-  OFFICE OF VETERANS BUSINESS DEVELOPMENT WEBSITE
-  Initial e-Counseling/Transfer of Information
-  Veteran Business Development Officers
-  District Office Outreach
-  Reservists/National Guard website.
-  Ombudsman Assistance

For more detailed information on the programs and services that SBA provides to veteran small business owners and entrepreneurs, as well as Reservists and National Guard member entrepreneurs, visit our websites at [www.sba.gov/vets](http://www.sba.gov/vets) or [www.sba.gov.reservist](http://www.sba.gov.reservist).

### **Small Businesses Nominated for U.S. Government's Highest Employer Award**

The Department of Defense annually honors up to 15 employers with the Secretary of Defense Employer Support Freedom Award. This is the U.S. government's highest recognition given to employers who provide outstanding support to their employees serving in the National Guard and Reserve and to their families. The open nomination season for the 2008 Freedom Award closed on January 21, 2008 with 2,199 nominations received from across the country, which represented a 97 percent increase in nominations from previous years. Approximately 500 of the nominations received this year were for small employers. Six of 15 recipients for the 2007 Freedom Award were considered small businesses, joining the ranks of such large business recipients as General Motors and past notable recipients such as Starbucks and Wal-Mart.

All employers, both large and small are encouraged to support their employees' commitment to military service. Assistance can range from continuation of health care benefits enabling a soldier's family to see their physician to an act of kindness, such as offering to cut the lawn for a deployed member's spouse. And while all employer support is exemplary, small businesses that go "above and beyond" the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA) to assist their employees serving in the National Guard and

Reserve deserve special recognition. Despite the fact that mobilizations and deployments are especially hard on small businesses with limited resources, these companies have proven to be supportive of their employees' military service.

One such company that was nominated this year for the Freedom Award is semiconductor company Xandex, Inc., a small business consisting of less than 100 employees.

Xandex employee and United States Marine Corps Reservist, Major Theodore Wong, nominated his employer for the Freedom Award stating that although the company is small, their support is tremendous. Major Wong has experienced this generosity first hand, as he has dedicated approximately 65 percent of the last 6 years to the military, which also means so has Xandex. "All during these periods and throughout my extensions, my employer remained flexible, supported the military in its constant changes and supplemented my salary by paying the difference I was losing while serving on active duty," said Major Wong. Beyond providing full pay to service members for periods of military service greater than 12 months, Xandex also provides continuation of all benefits to include health and dental care to the families left behind during deployments. This extra assistance provided peace of mind to Major Wong and his fiancé as she did not qualify for military family benefits since they were not married prior to his deployment. Xandex even went as far as buying Major Wong a tri-band cell phone which allowed him to call from overseas back home, at the expense of Xandex. "This type of support was good to have when a call home was needed to boost morale."

While not all small businesses are able to provide the financial benefits listed above, there are other gestures they can make to support their employees serving in the National Guard and Reserve. Every month Xandex sent care packages to Major Wong's unit filled with toiletries, food, magazines and movies. Perhaps more importantly these packages contained photos and personal notes expressing support from Major Wong's colleagues. "In addition, they [Xandex] kept my work email active to keep in contact with family members during my deployment since my access to the United States Marine Corps' email site expired just as I entered Iraq, and I was not able to re-establish connectivity since I was deployed." These simple gestures and reminders of home make all the difference to our

citizen warriors thousands of miles away from "their loved ones."

Recently the publication *Marine Corps Times* named Major Wong as the Marine of the Year for 2007, citing his extraordinary commitment to mentoring elementary children, maintaining a letter-writing campaign for deployed troops, and visiting those recovering from traumatic brain injuries at the local Department of Veteran Affairs hospital. Major Wong credits his ability to keep up with his extensive community involvement because of the flexible hours offered by Xandex.

The 2008 Freedom Award recipients will be announced early summer and honored at a black-tie gala ceremony at the Ronald Reagan International Trade Center in Washington, D.C. on September 18, 2008. Recipients of the 2007 Freedom Award met with President George W. Bush, Vice President Richard Cheney and Secretary of Defense Robert Gates. Vice Chairman of the Joint Chiefs of Staff Gen. James Cartwright presented the awards at a ceremony attended by members of Congress and senior military officials.

For more information, employers can visit the Employer Support of the Guard and Reserve (ESGR's) website at [www.esgr.mil](http://www.esgr.mil), or call the National Committee at 800-336-4590. ESGR is a Department of Defense agency established in 1972. The mission of ESGR is to gain and maintain employer support for National Guard and Reserve service by recognizing outstanding support, increasing awareness of the law, and resolving conflicts through mediation.

## Business Planning Articles

### Joint Ventures

A joint venture is a mutual agreement between businesses to form a new business entity to undertake a business-related project together or to undertake some form of economic or business activity. Joint ventures may be negotiated between a corporation, limited liability company (LLC), partnership or other legal business structures.

Joint ventures initially were typically common undertakings between large business, multi-national corporations and foreign companies. This business model is used to combine resources, expertise, financing and technology for the mutual benefit of both

or all firms entering into the agreement. Benefits from joint venture agreements may range from acquisition of new technology, access to marketing and distribution experts, access to established distribution channels, and increased profit margins to expansion into new markets or development of new product lines. No matter what reason businesses enter into joint ventures, the intended bottom line is increased revenue for all parties.

Joint venture agreements may be for a short timeframe, or they may be long-term business arrangements. However, the longer term business commitment is more difficult to maintain because each firm enters into the agreement with a set goal or set goals to accomplish. Once accomplished, there is little need for continuation of the arrangement. If, however, goals are not met for either party, the agreement may be dissolved before its provisions are fulfilled.

Businesses typically enter into joint ventures when building overseas markets. Such arrangements offer excellent opportunities to sell in foreign markets with lower risks because the business owner is working in tangent with a partner firm within the host country that knows the marketplace and its nuances. Most developing countries will encourage joint ventures between domestic businesses and foreign firms to gain access to advanced technology and for transfer of control and management of the venture to the domestic firm. While there are many reasons why businesses enter into joint venture agreements, no matter how varied those reasons, for such undertakings, clearly, there are benefits and drawbacks for all parties involved.

When negotiating a joint venture agreement, be sure that potential partners bring complementary resources, financing, technology or expertise to the arrangement. Some important questions to ask when identifying a potential partner firm or firms are outlined below:

- Will potential partners be willing to develop a joint business plan with clearly defined roles for each or all partners?
- Have you as the business owner identified complementary resources, such as financing, technology, distribution channels, or management expertise each or all partners will bring to the venture?
- Will the agreement outline all the resources and/or expertise each partner will bring and be responsible for carrying out?

- Will the agreement contain a clause for the apportionment of revenue gained or lost as a result of the venture?
- Will the agreement include an exit strategy for dissolution of the venture if one or all parties are dissatisfied with its progress or lack thereof?
- Has the appropriate legal structure for the venture been identified?
- How long with the venture last?
- How will partners be compensated for the services rendered?

These questions and others will aid you in identifying the potentially right firm or firms to enter into a joint venture.

Joint ventures offer advantages to all who are a party to the venture. Businesses enter into joint ventures for many reasons; nevertheless, the foremost reason is increased revenue if the venture works out. A few reasons for establishing joint ventures are:

- Access to new technologies,
- Access to improved management approaches/techniques,
- Knowledge gained from associations established and guidance provided as a result of the venture,
- Access to greater financial resources,
- Reduction in risks and financial burdens associated with a new venture,
- Opportunity to sell off a business segment as the venture matures and relationships are established with the partner firm or firms,
- Access to marketing experts,
- Access to well-established distribution channels,
- Establishment of and entry into new markets, and
- Development of new product lines.

Drawbacks to joint ventures include loss of control of a firm, transfer of advanced or state-of-the art technologies, loss over hirings/firing and retention of staff, transfer of proprietary business information and loss of reputation and credibility.

While joint ventures are business models that are typically used by large and medium-sized firms, an increasing number of small businesses are beginning to form joint ventures with larger firms or with multiple small businesses as partners. Small businesses entering into joint ventures do so with the primary intent of gaining experience and technical knowledge to improve the firm's performance, to improve finance and management skills, to expand core business competencies and to refine technical skills within the firm.



Joint ventures further aid small businesses in expanding business development efforts through providing: 1) access to greater financial resources than the firm would otherwise have, 2) expanded services as a result of the skills and knowledge acquired through the venture, 3) increased visibility and credibility, 4) greater access to markets and 5) access to state-of-the-art or advanced technologies. Acquisition of such skill sets and knowledge are important to the growth and stability of small firms.

Nevertheless, despite their drawbacks, joint ventures are a business model that more and more businesses regardless of size are using to reduce and share risks while increasing revenues.

### **IRS Small Business Alert** **Federal Tax Responsibilities and Schedule C, Profit or Loss from Business Training for Self-Employed Small Business Owners**

The Internal Revenue Service has launched a year-long campaign to help educate new self-employed small business owners about federal tax responsibilities and about filing Schedule C, Profit or Loss from Business.

IRS will host a May 21st National Phone Forum, “**Calling All New Schedule C Filers.**” For additional information about this forum, visit this website: <http://www.irs.gov/businesses/small/article/0,,id=166814,00.html>.

### **U.S. Department of Agriculture – Monthly Vendor Outreach Session**

USDA hosts monthly vendor outreach sessions to continually make available for small businesses the opportunity to meet on a regularly scheduled basis with USDA contracting officials. At all these sessions, USDA is introduced to new businesses that procurement officers may use to increase their small business resource base. In addition, small businesses are provided marketing strategies and information on how to market their capabilities to USDA in one central location.




Above and beyond, the Monthly Vendor Outreach Sessions, USDA sponsors a First Tuesday Trade Association Meeting. The intent of this Trade Association Meeting is to provide the various trade associations an opportunity to voice their concerns, opinions and ideas about current small business issues and take their findings back to the small businesses they represent.

For more detailed information about these monthly vendor sessions or the First Tuesday Trade Association Meeting, call **202.720.7117**.

### **Federal Aviation Administration’s (FAA) Small Business Development Program**

The FAA’s Small Business Development Office (SBDO) develops and implements programs that assist small businesses, small businesses owned and controlled by socially and economically disadvantaged individuals, women-owned small businesses and service-disabled veteran-owned small businesses obtain procurement opportunities with the agency.

The SBDO is responsible for:

-  FAA’s policy and program on the utilization of small businesses, women-owned small businesses, small businesses owned and controlled by socially and economically disadvantaged individuals and small businesses owned and controlled by service-disabled veterans;
-  Establishing mechanisms for monitoring and evaluating the effectiveness of the small business programs; and
-  Ensuring FAA-wide implementation and accomplishment of small business program objectives.

Annual direct contract and subcontracting goals are established for small businesses and for each category of special interest groups (i.e., those listed above).

The Small Business Development Office counsels firms on how to market their services or products to the FAA and assist firms in resolving pre-award and post-award issues. The SBDO also provides procurement guidance to agency procurement decision makers.

Small business forums are conducted to keep the small business community abreast of pending changes to FAA’s Acquisition Management System, its policy/guidance, and to provide an avenue for open dialogue between the FAA and industry.

### **CA VBOC Success Story**

#### **B&B Environmental Safety, Inc.**

Kenneth Baugh of Band B Environmental Safety is a 40 percent service-disabled veteran business owner. Mr. Baugh established his business on September 16, 2005 with one employee, and the business has grown

tremendously since then. The staff is experienced in many facets of environmental safety and mixed waste remediation; from marketing to contract management to free release consulting, license closures, operational support, sampling and analysis and radiological/mixed waste brokerage. Their assistance in implementing a quality control and assurance program provides a positive focus on the overall increase of operational production.

BBES is a new company located in northern California's Central Valley. They are a service-disabled veteran, 8(a) and minority-owned company. The company's mission is to provide its clients with industrial radiation safety services for all types of radiological operations, utilizing a highly skilled professional team working together using sound regulatory inspired principles. The technical staff has both the military training and practical application as the cornerstone of their skill set. The company strives to forge relationships with other small and disadvantaged companies, while also looking for large companies with similar mindsets and goals.

The staff's knowledge and experience has resulted in contracts with commercial entities, federal agencies and military installations. They are familiar with the military's training methodology and doctrine, and operational schedules for both CONUS and OCONUS.

BBES focuses on the traditional radiation health and safety by contracting with the license holder to perform planning, training and remedial services. These planning services include work plans, safety plans and preparation of material for transport.

Their extensive work with government radiation safety systems has enabled them to work projects, conduct inspections and audits, as well as estimate and predict where problems may occur. BBES is always seeking opportunities to expand business operations and uses the facilities and staff at the California VBOC to aid in this effort.

## **RMU VBOC Success Stories**

### **Budford Enterprises**

Lorenzo, owner of Budford Enterprises, feels that if you truly believe in your dreams are available and are teachable, you can succeed. Although he has yet to land the "big deal," he has, however, positioned his company to gain access to and take advantage of

## **OTHER WEBSITE RESOURCES**

<http://www.irs.gov/newsroom/article/0,,id=97273,00.html>  
[www.military.com](http://www.military.com)  
[www.vetjobs.com](http://www.vetjobs.com)  
[www.publicforuminstitute.org](http://www.publicforuminstitute.org)  
[www.commerce.gov](http://www.commerce.gov)  
[www.hirevetsfirst.gov](http://www.hirevetsfirst.gov)  
[www.hirevestfirst.gov/smallbizown.asp](http://www.hirevestfirst.gov/smallbizown.asp)  
[www.dol.gov](http://www.dol.gov)  
[www.ssa.gov/emergency](http://www.ssa.gov/emergency)  
[www.ssa.gov](http://www.ssa.gov)  
[www.sba.tmonline](http://www.sba.tmonline)  
[ESGR Programs](#)  
[ESGR Tips for Military Members](#)  
[Veterans Business Outreach Center: Serving the Veterans of New York State](#)  
[Veterans Business Outreach Center – University of West Florida](#)  
[Veterans Business Outreach Center – Robert Morris University](#)  
[Veterans Business Outreach Center – The University of Texas-Pan American](#)  
[Veterans Business Outreach Center – California VBOC Office of Advocacy](#)  
<http://www.apta-us.org/new/>  
[Project Manager for Katrina to Aid Individuals with Disabilities](#)  
[www.nchv.org](http://www.nchv.org)  
[http://www.nvti.cudenver.edu/resources/VETSNET/vol14no2/vnmain\\_v14n2.htm](http://www.nvti.cudenver.edu/resources/VETSNET/vol14no2/vnmain_v14n2.htm)  
[Kauffman eVenturing](#) [www.eVenturing.org](http://www.eVenturing.org)

numerous opportunities for contracts. By signing a joint venture with a "major beltway" security solutions company, he now can claim both extensive experience and performance ability. Lorenzo believes that this move will on day land him the "big one, and enable him to expand and grow his firm."

### **Rubicon Aviation**

Richard D'Loss, a former U.S. Airlines training official, is a member of the VBOC's PA/VMC. Richard's participation in the association is invaluable as the consortium seeks the ability to negotiate with area public officials. The PA/VMC is currently negotiating with the Pittsburgh Airport Authority to operate the Airport Test Cell Center, which was abandoned after U.S. Airlines moved its maintenance center to another state.

**Veterans We Salute You!**